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I. Inspection Objective:

The objective of the IG Staff should, in sum, be to promote maximum Agency effectiveness within the limits of propriety. Initiative, innovativeness, aggressiveness and high morale must be maintained while at the same time laws, regulations and political realities are observed. The ombudsman role of the IG Staff is also important as it contributes to individual morale, but collective morale, or organizational esprit, is essentially a product of success. Success, in the main, is a product of people, their attitudes, their skills and the way in which they are handled.

II. Inspection Methodology:

A. Component inspection vs examination of issues

While the component by component approach has its merits, it may not be enough. Basic issues, doctrines, philosophies, and procedures more central to the Agency's health, which cut across component lines, should also be examined in depth. Below are some examples of important, issues which bear examination:

1. PEOPLE:

[In some ways "people" is a better word than "personnel," which has a less human, more bureaucratic connotation.] The guts of CIA [or any organization] are people -- how they are found, trained, deployed and treated. The following specific, cross-component subjects, for example, may be worth examining:

(a) Recruitment:

It all begins here.

- Are we getting the right people by the CT, all-purpose-man approach?
- Are we searching for the required skills and aptitudes -- all very different -- needed for the DDI, DDS&T, DDO and DDA?

Where should personnel be made at O/D or DD level?

Should we not take advantage of outside conditions to upgrade our own force (it's now over 100,000 and a significant number are new recruits).

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- Are CIA recruiters good judges of the kind of persons we need?



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- Are CIA's testing and screening procedures up to date and adequate?
- Is CIA weeding out substandard people in the first two or three years, when they are young enough to find new careers.
- Are we going about EEO in the right way?

(b) Training:

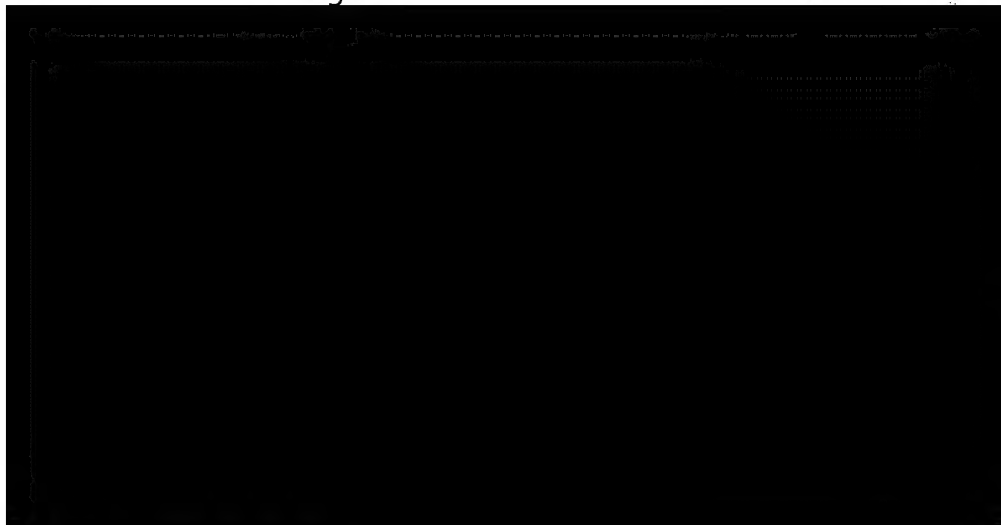
- Is our training system adequate and is it tailored for the different directorates? Is initial training used as an observation period and basis to weed out of unsuitable persons?
- Is there enough supplementation of the permanent career training staff with substantive experts? [CTs are still inclined to think that many members of the training staff are component rejects.]
- Are new officers being made adequately aware of the new issues raised by Congressional and executive investigations, media attacks etc?
- Are we putting enough emphasis on language or other specialized training?

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(d) Treatment:

- Are personnel practices conducive to good morale? Is there cliquism?
- Are promotions practices fair and consistent?
- Is our fitness report system adequate? [85% of all officers are uniformly rated "good."]
- Are secretarial ceilings fair?
- Is communications through the ranks adequate? Are junior officers kept adequately in the picture?
- Is imagination and initiative rewarded?
- What is being done to prevent officers from becoming "careerists," i.e., becoming more interested in climbing the ladder than in doing the substantive job -- or, put another way, devoting their energies to looking good rather than being good? Are the medal awards being cheapened? What other incentives can we devise?
- Are we adequately attuned to the new generation, as this bears on attitudes and security?

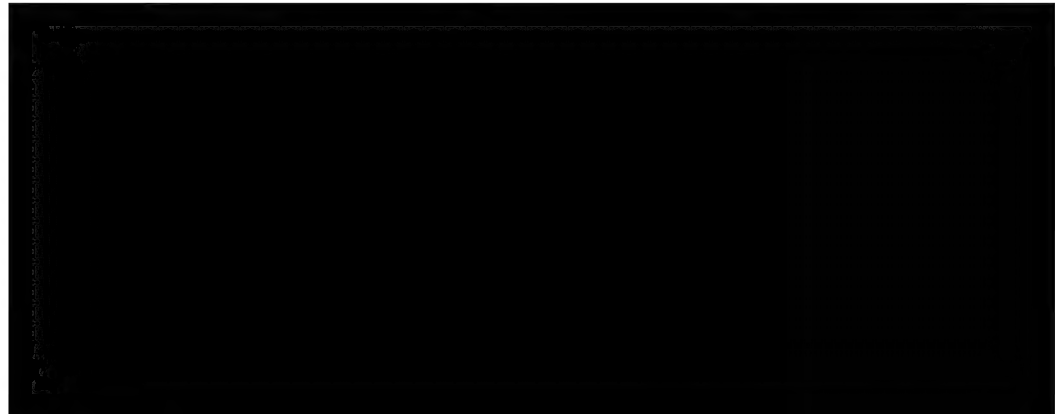
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(d) DDA:

As the support and administrative arm of the Agency, its objectives should be clear and responsive to the directorates which it supports. Machinery to periodically test this should be examined for its adequacy.

- Should DDA personnel be dispersed more to the components or be more centralized?
- Is the size of the DDA structure shrinking at the same rate as other components, or is there a tendency for it to remain too large -- relatively speaking?
- Do management philosophies need re-examining?
- Should there be more emphasis on leadership in some components rather than management?
- Is the computer program too comprehensive or not comprehensive enough?
- Are security objectives in tune with changing times and changing circumstances?

(e) OLC:

In the new world of proliferating Congressional oversight procedures are directorate interests adequately represented by OLC?

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-- Can OLC cope with the new phenomenon of oversight committee staffs and inevitably greater zeal on the part of oversight committees?

(g) Comptroller:

Is the system for dividing CIA's budgetary pie between the directorates the best possible and consistent with optimum accomplishment of objectives?

3. SYSTEMS:

There are various systems on which the Agency relies. The following are some of those which perhaps bear examination:

(a) Files and correspondence

The Senate Select Committee investigation and the House Select Committee investigations taught us certain lessons as to what should and shouldn't be made part of a permanent file or be a subject of formal correspondence.

These lessons should be applied to our file systems in the future.

(b) Computer systems

(c) Classification systems

(d) Security systems

(e) Relations with oversight mechanism - Congressional and executive.

How can lower ranking personnel, particularly those with cover equities be spared exposure or harassment by the several oversight mechanisms.

(f) Extra-Agency approval processes and U.S. Government liaisons:

- (1) OAG
- (2) Presidential findings

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- (3) CFI
- (4) State
- (5) Defense/armed services
- (6) Justice/FBI
- (7) Treasury
- (8) Bureau of the Budget
- (9) GAO (potentially)
- (10) DEA
- (11) Secret Service

4. RELATIONS WITH THE PRIVATE SECTOR

This subject was of much concern to both the House and Senate Select Committee and will be a subject of continuing scrutiny by the staff of any permanent oversight committee or committees:

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B. Inspection for abuses

The Rockefeller Committee, the House and Senate Select Committees and Executive Orders and Agency regulations have all addressed themselves to past abuses. Some of these involved illegalities, some improprieties. What of course is essential and obvious is that specific regulations banning future illegalities and improprieties be adhered to rigidly and systems be devised by the IG and OGC to monitor them.

The problem areas are easily identifiable and monitoring should not prove difficult. Realistically

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the chances of future abuses are infinitely less than heretofore because of the lessons learned from the various investigations which have taken place and Agency consciousness of the problem. Nonetheless, we must be in a position to prove that we have all problem areas within our sights if the various oversight bodies are going to be satisfied.

Involved here, however, is a process of education as well as scrutiny. All personnel should be made aware of what we may do and may not do. This should begin with initial training and be a continuous line responsibility. What we should not do, however, is dwell on the "thou shalt nots" to the extent it breeds a negative, defensive psychology throughout the Agency. Nor should the IG Staff come to be considered an in-house police and ferret force in the tradition of the two select committees which have dissected us.

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CENTRAL INTELLIGENCE AGENCY

10 May 1976

Executive Registry

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NOTE FOR [REDACTED]

John:

Thanks. A fine catalog of problems worthy of attention. All need the attention of CIA leadership and a management process. Some are ideal for IG examination.

I believe (and have believed for a long time) that the IG is a force for institutional renewal and reform. Much of what an IG does is confidential but much can be made more visible so that larger numbers of our people can take comfort in the constructive role the IG can play.

We also need close ties and working relationships between IG and OGC. A very tall order, as you and I have discussed, is how to intensify inspection and oversight without stifling creativity.

Then, too, there should be constructive ties between the IG and the Comptroller -- not that we want to involve the IG in resource details but because the two, working together, can help identify priority problems in need of management attention.

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E. H. Knoche

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